forfeiture the lessee is without liability for further rent; whereas upon breach of condition in the mortgage the legal rate of interest remains payable until after foreclosure sale and payment and therefore acceptance of interest at such rate would not necessarily operate as a waiver. Since it does not appear in the instant case what rate of interest the mortgagee accepted, it is impossible to give the case this logical justification. The courts, moreover, have not made this distinction in practice and there seems no other valid reason for excepting this agreement from the operation of the usual rule of waiver, particularly since it is the habit of courts to look upon such acceleration agreements with disfavor and to uphold the mortgage without forfeiture so long as the security remains unimpaired. See *Chicago & Vincennes R. R.* v. *Fosdick* (1882) 106 U. S. 47, 77, 1 Sup. Ct. 10.

NEGLIGENCE—INHERENTLY DANGEROUS ARTICLES—LIABILITY TO THIRD PERSONS.—The defendant manufactured and sold a gas flatiron to B, who loaned it to the plaintiff. In an action to recover for burns caused by its faulty construction, *held*, for the defendant. *Pitman* v. *Lynn Gas & Electric Co.* (Mass. 1922) 135 N. E. 223.

In general, manufacturers are liable only to the original vendee for injuries caused by negligent construction, since a contractual relation exists between them alone. *Wood* v. *Sloan* (1915) 20 N. Mex. 127, 148 Pac. 507. But a generally recognized exception is made in the case of inherently dangerous articles. *Johnson* v. *Cadillac Motor Car Co.* (C. C. A. 1919) 261 Fed. 878; *Statler* v. *Ray Mfg. Co.* (1909) 195 N. Y. 478, 88 N. E. 1063. Many jurisdictions allow recovery for injuries from articles made imminently dangerous through a latent defect, if the maker knew of the defect. *Olds Motor Works* v. *Shaffer* (1911) 145 Ky. 616, 140 S. W. 1047; *Wood* v. *Sloan, supra*. Others do not. *Knelling* v. *Roderick Loan Mfg. Co.* (1903) 88 App. Div. 309, 84 N. Y. Supp. 622. Some hold him liable if he knew or should have known of it with the exercise of reasonable care. *Dail* v. *Taylor* (1909) 151 N. C. 284, 66 S. E. 135; see *Hasbrouck* v. *Armour & Co.* (1909) 139 Wis. 357, 365, 121 N. W. 157. Most courts which do not allow recovery for latent defects extend their classification of inherently dangerous articles to include such articles as automobiles, *Johnson* v. *Cadillac Motor Car Co., supra; MacPherson* v. *Buick Motor Co.* (1916) 217 N. Y. 382, 111 N. E. 1050; die-cutting machines in the shoe industry, *Tom* v. *Nichols-Fifield Shoe Machinery Co.* (C. C. A. 1914) 215 Fed. 881; cylinders containing carbonic acid gas, *Keep* v. *National Tube Co.* (C. C. 1907) 154 Fed. 121; bottles of aerated soda-water, *Payne* v. *Rome Coca Cola Co.* (1911) 10 Ga. App. 762, 73 S. E. 1087; *Torgesen* v. *Schultz* (1908) 192 N. Y. 156, 84 N. E. 956; steam boilers, *Van Winckle* v. *American Steam Boiler Co.* (1889) 52 N. J. L. 240, 19 Atl. 472; *contra, Lauderman* v. *Russell & Co.* (1910) 46 Ind App. 32, 91 N. E. 822. Massachusetts and Indiana greatly restrict their classification of inherently dangerous articles and also refuse recovery for latent defects in the absence of actual knowledge by the defendant of the defect *Cf. Lebourdais* v. *Vitrified Wheel Co.* (1906) 194 Mass. 341, 80 N. E. 482 (emery wheel); *Lauder-Man* v. *Russell & Co., supra* (steam boiler). The majority of courts, by adding to the list of inherently dangerous articles, or by following the more liberal doctrine of liability for latent defects, better protect the public from negligent manufacturers.

NEGOTIABLE INSTRUMENTS—ACCOMMODATION PARTIES—CORPORATIONS.—In an action by the transferee after maturity of a negotiable note made by the defendant corporation, it appeared that the corporation made the note for the accommodation of a third party. The trial court ruled that the plaintiff must prove that the transferor of the plaintiff was a holder in due course without knowledge of the

fact that the corporation was an accommodation party. *Held,* error. *Putnam* v. *Spencer Oil Co.* (1922) 272 Pa. St. 301, 116 Atl. 285.

Generally corporations are said to have no power to bind themselves as accommodation parties, *In re Romadke Bros. Co.* (C. C. A. 1914) 216 Fed. 113; *Jacobus* v. *Jamestown Mantle Co.* (1914) 211 N. Y. 154, 105 N. E. 210; *National Bank* v. *Snyder Mfg. Co.* (1907) 117 App. Div. 370, 102 N. Y. Supp. 478; unless all the stockholders consent and the rights of creditors are not involved. *Murphy* v. *Arkansas & L. Land Co.* (C. C. 1899) 97 Fed. 723; *Sargent* v. *Palace Cafe Co.* (1917) 175 Cal. 737, 167 Pac. 146; *cf. J. G. Brill Co* v. *Norton & T. Street Ry.* (1905) 189 Mass. 431, 75 N. E. 1090. The accommodation note is not void, but is enforceable in the hands of a holder in due course without knowledge of its character. *Cox & Sons Co.* v. *Northampton Brewing Co.* (1914) 245 Pa. St. 418, 91 Atl. 859; *Mechanics' Bank Ass'n.* v. *N. Y. & S. etc. Co.* (1866) 35 N. Y. 505. The instant case holds that since *ultra vires* is not named as a defect of title under Negotiable Instruments Law, § 55, the presumption of § 59 in favor of a holder applies. It also literally applies the phraseology of § 29 which says, "Such a person (an accommodation party) is liable on the instrument to a holder for value, notwithstanding such holder at the time of taking the instrument knew him to be only an accommodation party." But the Negotiable Instruments Law was framed to cover the general law of negotiable paper and not the special case of a corporation doing an act which is *ultra vires.* See Crawford, *Negotiable Instruments Law* (4th ed. 1916) 69. The common law rule should therefore apply, and the title of the first holder be deemed defective under the rule of *National Bank* v. *Snyder Mfg. Co., supra.* The burden of proof should then be on the plaintiff to show that he is a holder in due course without knowledge of the character of the instrument. *National Bank* v. *Snyder Mfg. Co., supra; Abbott* v. *LeProvost* (1915) 166 App. Div. 40, 151 N. Y. Supp. 616; *cf. In re Troy & Cohoes Shirt Co.* (D. C. 1905) 136 Fed. 420. The instant case is another example of erroneous decisions arising under § 29. Although this section has been severely criticized, see Brannan, *Negotiable Instruments Law* (3rd ed. 1920) 122, yet the language properly construed with the other sections of the Act ought not to lead to erroneous results. In the instant case, as pointed out above, the section should not have been applied. Another objection to the section, raised by cases under it holding that an accommodation party is liable to a purchaser for value after maturity who took with knowledge that the defendant was an accommodation party, is met in those cases where negotiation was not in accord with the agreement by § 55. If it is in accord with the agreement the accommodation party should be bound.

REAL PROPERTY—MINES AND MINERALS—CORPUS OR INCOME.—The plaintiff, a trustee of land under a will with power to sell, sold and conveyed oil in place under the land. *Held,* that the proceeds from the sale, regardless of the fact that the purchase price was to be partly paid in oil, were a part of the corpus of the estate, rather than income. *Eager's Guardian* v. *Pollard* (Ky. 1922) 239 S. W. 39.

Where an estate at the direction of a testator, as in the instant case, is converted into money for the purpose of better investment, the money stands in place of the devised estate and goes to the same persons as if it had remained realty. *Holland* v. *Cruft et al.* (Mass. 1855) 3 Gray 162. A life tenant may take the entire product of mines, which are already opened when the life estate is created. *Koen* v. *Bartlett* (1895) 41 W. Va. 559, 23 S. E. 664. Where the mines are opened by the life tenant, or by the life tenant and remaindermen jointly, or by a judgment of a court after the death of the owner, the royalties usually